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SECRET SECTION 01 of 03 RIYADH 000182

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S/SRAP FOR AMBASSADOR HOLBROOKE  
DOHA FOR AMBASSADOR HOLBROOKE

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [KTFN](#) [SA](#) [AF](#) [PK](#)  
SUBJECT: SCENESETTER FOR SPECIAL REPRESENTATIVE AMBASSADOR  
HOLBROOKE'S FEBRUARY 15-16 VISIT TO RIYADH

Ref: KABUL 500

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Classified By: Ambassador James B. Smith for reasons 1.4 (B) and (D)

11. (C) Ambassador Holbrooke, Embassy Riyadh warmly welcomes you to Saudi Arabia, which, by virtue of its historical and cultural ties to Central Asia; personal relationships between Saudi, Afghani and Pakistani leaders; financial power; and leadership of the Muslim world, can play a central role in implementing the President's strategy for Afghanistan and Pakistan. Your visit comes at a time of great potential but great uncertainty: the Saudi-Afghan relationship appears to be warming up, while the traditionally close Saudi-Pakistani relationship has grown increasingly strained. The Saudis are broadly supportive of our approach to Afghanistan and Pakistan, but occasionally express skepticism about our timing or our approach. Your visit provides an opportunity to mine the Saudis' wealth of experience in dealing with Afghanistan, Pakistan, and extremism, and further explore ways to translate our shared goals into action in the unique Saudi context. We have requested meetings with xxxxxxxxxxxx.

12. (C) SAUDI-AFGHAN RELATIONS WARMING: President Karzai's February 2-3 visit to the Kingdom, although richer in symbolism than substance, was a sign that lukewarm Saudi-Afghan relations may finally be warming up. In his official statement at the London Conference, FM Saud announced a \$150 million pledge of additional financial support for Afghan reconstruction. He expressed broad Saudi support for reconciliation, adding that they would be willing to assist at the request of President Karzai-- on the condition that the Taliban sever its relationship with Al-Qaeda and cease providing refuge to its leaders. While not as forward leaning as we may have liked, FM Saud's statement put the Saudis on the record and created an opportunity to put reconciliation talks back in motion--eventually. Saudi participation at the Turkish-led regional conference on Afghanistan on January 26 was further evidence of the Saudi commitment to engagement. Karzai's visit showed that the King was ready to deal with Karzai as a legitimate, Muslim head of state. However, the Saudis continue to have concerns about Afghan corruption and believe greater political incorporation of the Pashtun community is essential. Their apparent wish to downplay Karzai's visit--as compared to the Afghans (reftel)--may also indicate the King's desire to keep some distance and maintain his credibility as a potential reconciliation mediator.

13. (s/nf) but mediation not ready for prime time: Privately, the Saudis tell us it's still "too soon" to be publicly discussing technical and financial aspects of reintegration efforts. xxxxxxxxxxxx has made clear that his marching orders are to work through intelligence channels only until progress becomes sustainable, at which point foreign ministries will be brought in. In a recent meeting with the Ambassador, xxxxxxxxxxxx hinted at but did not provide details about what appears to be significant movement on the Saudi mediation effort, with visits by high-level Taliban and Afghan officials, since the Hajj. We surmise that xxxxxxxxxxxx is reluctant to share information because the talks remain delicate and he fears U.S. involvement could derail progress. He has also voiced concern about how to address UNSCR 1267 prohibitions on dealing with various Taliban members.

14. (C) ZARDARI STILL THE PROBLEM IN PAKISTAN: The Saudis generally agree that there is a need to deny terrorists safehavens in Pakistan, but question whether the methods we have outlined will be effective. Despite tense relations with the Zardari government, close military and intelligence cooperation continues between Saudi Arabia and Pakistan. The Saudis believe opposition leader Nawaz Sharif can play a "great role" in working with tribal chiefs and that "money is better than bullets" in the fight against the Taliban. They have started to fulfill their pledge from the Tokyo donor's conference (over half of the \$700 million pledged has been disbursed) and have expressed a willingness to continue with financial support for a stable Pakistan. Saudi interlocutors stress the importance of remembering that Pakistan remains

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pre-occupied with issues on its Indian border, coloring its ability to deal with the Taliban.

15. (C) IN THE ARMY WE TRUST: The tumultuous democratic process in Pakistan makes the Saudis nervous, and they appear to be looking for "another Musharraf": a strong, forceful leader they know they can trust. In his January meeting with General Jones, the King cited President Zardari as an impediment to denying terrorist safehavens, calling him an "obstacle" and "a rotten head" that was infecting the whole body. He maintained that the Pakistani Army was capable of being a strong partner for the U.S., and opined that U.S. development assistance would rebuild trust. He asserted that the Army was staying out of Pakistani politics in deference to U.S. wishes, rather than doing what it "should." FM Saud told General Jones that we must reach out to tribal leaders and separate "those we could work with" from "those we must fight." He believed that using the military to fight extremists posed certain dangers, and that the credibility of the army must be maintained. The Saudis were pushing Pakistan's civilian leaders to work together, but "compromise seemed alien to Pakistani politicians."

16. (C) TURKI'S TAKE: During a recent meeting with Ambassador, former GIP Director Prince Turki Al-Faisal called Afghanistan a "puzzle," where establishing trust with Afghan leaders, and recognizing the links between Pakistan and the Taliban, were keys to success. All financial aid to the Afghan government should be conditional: benchmarks must be set for the leadership, and aid must be withheld until these are met. Recent Saudi efforts to assist in Taliban mediation had failed, he said, when "both sides fell short." He described the Taliban leadership as "fractured," and suggested the U.S. and NATO needed to target criminal elements more vociferously and re-focus our attention on capturing Osama Bin Laden and Ayman Al-Zawahiri. He suggested Saudi Arabia, the U.S., China, Russia, Afghanistan and Pakistan could join forces and share assets in order to capture or kill bin Laden and Al-Zawahiri. This would break the terrorists' "aura of invincibility" and allow the U.S. to "declare victory" and move on.

17. (S/NF) TERRORISM FINANCE: Terrorist funding emanating

from Saudi Arabia remains a serious concern. Over the last year, however, Saudi Arabia has made important progress in combating al-Qaida financing emanating from the country. Sensitive reporting indicates that al-Qaida's ability to raise funds has deteriorated substantially, and that it is now in its weakest state since 9/11. The Kingdom is also cooperating more actively than at any previous point to respond to terrorist financing concerns raised by the United States, and to investigate and detain financial facilitators of concern. Nonetheless, sustained engagement is required to maintain the current momentum, particularly in providing the Saudis with specific details and actionable information. Your visit provides another opportunity to welcome the progress Saudi Arabia has made, and reiterate the importance that President Obama and the USG place on curtailing fundraising activity by global terrorist groups in Saudi Arabia, particularly those that undermine the stability of Afghanistan and Pakistan.

18. (S/NF) TERRORISM FINANCE, CONTINUED: While in the past the KSA stood reluctant to pursue Saudi donors who backed groups that did not directly threaten the Kingdom, the Saudi Ministry of Interior (MOI) has now demonstrated willingness to take action, and has begun to detain individuals involved in funding networks for groups such as Lashkar e-Tayyiba (LeT), the Taliban, and in some cases even Hamas. Our TF cooperation with the MOI is of utmost strategic importance to U.S. national security as donors in Saudi Arabia continue to constitute a source of funding to Sunni extremist groups worldwide. Available intelligence reflects that the Kingdom remains an important fundraising locale-especially during the Hajj and Ramadan-for the Taliban, LeT, and other terrorist groups based in Afghanistan and Pakistan. The MOI remains almost completely dependent on the CIA to provide analytic support and direction for its counterterrorism operations. As such, our success against terrorist financing in the Kingdom remains directly tied to our ability to provide actionable intelligence to our Saudi counterparts. In order to enhance the USG's ability to influence and direct Saudi efforts to

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disrupt terrorist financing, in 2008 we stood up a Treasury attach office in Embassy Riyadh. This office actively contributes to the daily intelligence sharing process that is led by CIA.

19. (S/NF) TERRORISM FINANCE, CONTINUED: Saudi Arabia has taken increasingly aggressive efforts to disrupt al-Qaida's access to funding from Saudi sources. An example of recent progress by the KSA is the conviction of over 300 people for involvement in terrorism, including some for providing financial support. News reports suggest that appeals may be opened to the media in order to enhance the deterrent effects of such prosecutions. In addition, Assistant Interior xxxxxxxxxxxx stated that the Ministry of the Interior (MOI) deliberately timed its August 19, 2009 press release regarding the arrest of 44 terrorist supporters to deter potential donors from giving money to suspected terrorist groups during Ramadan. Although a great deal of work remains to be done, xxxxxxxxxxxx has given his commitment to work with the United States on Taliban finance, and has said that the MOI will arrest individuals involved in Saudi-based Taliban fundraising activities - even if involved in the reconciliation process - when provided with actionable intelligence.

110. (S/NF) IDENTIFYING OPPORTUNITIES: The Saudis have expressed broad support for the President's strategy on Afghanistan and Pakistan, but often balk when asked to designate an SRAP to coordinate policy with the USG and others. In part, this reflects the centralized Saudi decision-making process and the reality that issues related to Afghanistan and Pakistan policy are not delegated, but rather dealt with directly by the King and members of the intelligence community. While the Saudis are hesitant to delegate authority and tend to make only broad-based

commitments to high-profile, multilateral initiatives, they appear ready, willing and eager to share their experiences with us and identify greater opportunities for cooperation on a bilateral basis. Your visit provides an opportunity to further explore how we can best translate our shared goals into action in the unique Saudi context.

Smith